

BURLINGTON-EDISON SCHOOL DISTRICT No. 100
Skagit County, Washington
September 1, 1993 Through August 31, 1994

Schedule Of Findings

1. The District Should Improve Controls Over Associated Student Body (ASB) Soft Drink Vending Machines, Inventories, And Fund-Raisers

During the course of our audit, we again identified weaknesses in the district's ASB inventory and cash controls:

- a. Reconciliations of cash received to expected revenue were not being performed for soft drink sales and fund-raisers.
- b. Lack of documentation to support accountability over soft drink inventory and fund-raiser activity.
- c. Inadequacy of physical security of fund-raiser candy inventory.
- d. Lack of documentation or inability to distinguish between and with fund-raiser revenues and booster donations.

RCW 43.09.200 states:

The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction . . .

The Superintendent of Public Instruction (SPI) *Accounting Manual for School Districts* at Chapter III, Section G-1, page 4 states in part:

Access to resources and records should be limited to authorized individuals, and accountability for the custody and use of resources is to be assigned and maintained. Periodic comparison should be made or the authorized access to systems with the current assignments of the individuals.

The SPI's *Accounting Manual For School Districts* at Chapter III, Section G-1, page 3 states in part:

Internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be purposeful and useful to district management in controlling and/or analyzing operations . . .

Transactions and other significant events are to be promptly recorded and properly classified. Prompt recording ensures that pertinent information maintains its relevance and value to management in controlling operations and making decisions.

The district had initiated new procedures for improving ASB's cash handling and inventory controls. However, due to employee turnover and lack of enforcement by existing staff, the procedures were never followed through.

As a result of the weaknesses cited above, errors and irregularities could occur without timely detection, if at all.

We again recommend the district work to strengthen their internal controls, and perform reconciliations of expected revenues to actual cash received.